

CITY COURT OF RAYNE, LOUISIANA**Financial Report****Year Ended September 30, 2011**

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **APR 11 2012**

CITY COURT OF RAYNE, LOUISIANA

CONTENTS

	Exhibit	Page
Independent Auditor's Report	-	1 - 2
Basic Financial Statements		
Statement of Net Assets	A	4
Statement of Activities	B	5
Fund Financial Statements		
Governmental Fund Balance Sheet	C	7
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets		8
Statement of Revenues, Expenses and Changes in Fund Balance	D	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds, to the Statement of Activities	-	10
Statement of Fiduciary Net Assets	E	11
Statement of Changes in Fiduciary Net Assets	F	12
Notes to Financial Statements		13-17
Required Supplemental Information		
Budgetary Comparison Schedule		19
Other Supplemental Information		
Schedule of Expenditures		21
Compliance, Internal Control, and Other Information		
Independent Auditors Report on Compliance and on Internal Control over Financial Reporting based on an audit of Financial Statements performed in accordance with <i>Governmental Auditing Standards</i>		23-24
Schedule of Findings		25-26
Corrective Action Plan		27
Summary Schedule of Prior Audit Findings		28

THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

P O Box 34 • 801 THE BOULEVARD, SUITE B • RAYNE, LOUISIANA 70578 • (337) 334-7251 FAX (337) 334-7002

INDEPENDENT AUDITORS REPORT

The Honorable James M. Cunningham, III
City Judge
City Court of Rayne
Rayne, Louisiana

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the City Court of Rayne, Louisiana, a component unit of City of Rayne, as of and for the year ended September 30, 2011, which collectively comprise the City Court of Rayne's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City Court of Rayne's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the City Court of Rayne, Louisiana at September 30, 2011, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

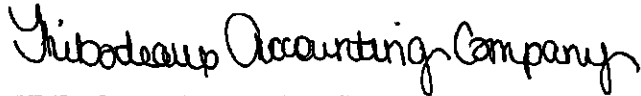
In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2012 on our consideration of the City Court of Rayne, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The City Court of Rayne, Louisiana has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

The Honorable James Cunningham, Judge
City Court of Rayne, Louisiana

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City Court of Rayne, Louisiana's basic financial statements as a whole. The accompanying information listed as other supplementary information in the table of contents and the budgetary comparison schedules listed as required supplementary information in the table of contents, are presented for purposes of additional analysis and is not a required part of the basic financial statements of the City Court of Rayne, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Thibodeaux Accounting Company". The script is cursive and fluid, with the first letter of "Thibodeaux" being a large, stylized capital 'T'.

Thibodeaux Accounting Company
A Limited Liability Company

Rayne, Louisiana
March 19, 2012

Basic Financial Statements

CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF NET ASSETS

September 30, 2011

	General Fund	TOTALS	
		2011	(Memo Only) 2010
ASSETS			
Cash and cash equivalents	\$ 131,244	\$ 131,244	\$ 113,610
Receivables	9,923	9,923	15,783
Total Assets	<u>\$ 141,167</u>	<u>\$ 141,167</u>	<u>\$ 129,393</u>
LIABILITIES			
Liabilities			
Accounts payable	\$ 6,518	\$ 6,518	\$ 11,624
Total Liabilities	<u>\$ 6,518</u>	<u>\$ 6,518</u>	<u>\$ 11,624</u>
NET ASSETS			
Unrestricted	<u>\$ 134,649</u>	<u>\$ 134,649</u>	<u>\$ 117,769</u>
Total Net Assets	<u><u>\$ 134,649</u></u>	<u><u>\$ 134,649</u></u>	<u><u>\$ 117,769</u></u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF ACTIVITIES

September 30, 2011

	General Fund	TOTALS	
		2011	(Memo Only) 2010
<u>GOVERNMENTAL ACTIVITIES:</u>			
EXPENSES			
Judiciary:			
Travel and professional development	\$ 14,030	\$ 14,030	\$ 15,547
Operating services	184,337	184,337	188,783
Office expense	3,703	3,703	1,412
Total Expenses	<u>\$ 202,070</u>	<u>\$ 202,070</u>	<u>\$ 205,742</u>
PROGRAM REVENUES			
Costs assessed for court	<u>\$ 218,950</u>	<u>\$ 218,950</u>	<u>\$ 206,615</u>
Total Program Revenues	<u>\$ 218,950</u>	<u>\$ 218,950</u>	<u>\$ 206,615</u>
Change in Net Assets	\$ 16,880	\$ 16,880	\$ 873
Net Assets - Beginning of the Year	<u>117,769</u>	<u>117,769</u>	<u>116,896</u>
Net Assets - End of Year	<u>\$ 134,649</u>	<u>\$ 134,649</u>	<u>\$ 117,769</u>

The accompanying notes are an integral part of this statement.

Fund Financial Statements

CITY COURT OF RAYNE, LOUISIANA
GOVERNMENTAL FUND BALANCE SHEET
September 30, 2011

	General Fund	TOTALS	
		2011	(Memo Only) 2010
ASSETS			
Cash and cash equivalents	\$ 131,244	\$ 131,244	\$ 113,610
Receivables	9,923	9,923	15,783
Total Assets	<u>\$ 141,167</u>	<u>\$ 141,167</u>	<u>\$ 129,393</u>
LIABILITIES			
Accounts payable	\$ 6,518	\$ 6,518	\$ 11,624
Total Liabilities	<u>\$ 6,518</u>	<u>\$ 6,518</u>	<u>\$ 11,624</u>
FUND BALANCE			
Unassigned	\$ 134,649	\$ 134,649	\$ 117,769
Total Liabilities and Fund Balances	<u>\$ 141,167</u>	<u>\$ 141,167</u>	<u>\$ 129,393</u>

The accompanying notes are an integral part of this statement

CITY COURT OF RAYNE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

Fund Balances - Total Governmental Funds	\$ 134,649
---	-------------------

Amounts reported for governmental activities in the
statement of net assets are different because:

Capital assets used in governmental activities
are not financial resources and therefore
reported in the funds.

Governmental Capital Assets	\$ 6,145
Less: Accumulated Depreciation	<u>(6,145)</u>

-

Net Assets of Governmental Activities

<u>\$ 134,649</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE
September 30, 2011

	General Fund	
	2011	(Memo Only) 2010
Revenues:		
Criminal Fees	\$ 153,222	\$ 135,234
Civil Court Fees	65,678	71,304
Miscellaneous	50	77
Total Revenues	\$ 218,950	\$ 206,615
Expenditures:		
General Government--Judicial	\$ 202,070	\$ 205,742
Total Expenditures	\$ 202,070	\$ 205,742
Excess (Deficiency) of		
Revenues over Expenditures	\$ 16,880	\$ 873
Fund Balance, Beginning of Year	117,769	116,896
Fund Balance, End of Year	\$ 134,649	\$ 117,769

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

SEPTEMBER 30, 2011

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 16,880</u>
Change in Net Assets of Governmental Activities	<u>\$ 16,880</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF FIDUCIARY NET ASSETS

September 30, 2011

	Agency Fund	TOTALS	
		2011	(Memo Only) 2010
ASSETS			
Cash and cash equivalents	\$ 54,657	\$ 54,657	\$ 91,271
Total Assets	<u>\$ 54,657</u>	<u>\$ 54,657</u>	<u>\$ 91,271</u>
LIABILITIES			
Accounts payable	\$ 18,525	\$ 18,525	\$ 27,140
Held for others pending court action	36,132	36,132	64,131
Total Liabilities	<u>\$ 54,657</u>	<u>\$ 54,657</u>	<u>\$ 91,271</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

September 30, 2011

	Agency Fund	TOTALS	
		2011	(Memo Only) 2010
ADDITIONS			
Deposits	\$ 319,755	\$ 319,755	\$ 355,453
Total Assets	<u>\$ 319,755</u>	<u>\$ 319,755</u>	<u>\$ 355,453</u>
DEDUCTIONS			
Amounts Disbursed	\$ 347,754	\$ 347,754	\$ 344,506
Total Deductions	<u>\$ 347,754</u>	<u>\$ 347,754</u>	<u>\$ 344,506</u>
CHANGE IN NET ASSETS	\$ (27,999)	\$ (27,999)	\$ 10,947
Net Assets - Beginning	<u>64,131</u>	<u>64,131</u>	<u>53,184</u>
Net Assets - Ending	<u><u>\$ 36,132</u></u>	<u><u>\$ 36,132</u></u>	<u><u>\$ 64,131</u></u>

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying basic financial statements of the City Court of Rayne, Louisiana have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the guidance set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

Financial Reporting Entity:

The City Court Judge is an independently elected official and is a part of the operations of the City Court system. The City Court of Rayne is fiscally dependent on the City of Rayne for office space and courtrooms. The City of Rayne also has approval authority over the City Court's capital budget. For these reasons, the City Court of Rayne is a component unit of the City of Rayne.

Fund Accounting:

The accounting system of the City Court of Rayne is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on certain activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The funds maintained by the Court consist of the following major categories:

Governmental Funds

Governmental Funds account for all of the City Court's general activities, including the collection and disbursement of specific or legally restricted monies and the general operating expenses of the court.

General Fund—The general fund derives its revenues from charges made through the criminal court system and the civil court system, and expends these funds for certain operations of the court.

Fiduciary Funds

Fiduciary Funds—Fiduciary funds are used to account for assets held by the Court as an agent for other governments, individuals, or funds. The court maintains two agency funds:

Trust Fund—The Trust Fund collects on judgements, traffic fines and receives traffic bonds pending final settlement. The Trust Fund makes payments in settlements of suits, and the traffic bonds are either refunded, or paid out as fines and court costs. The court costs are paid to the General Fund and the fine portion is paid to another government agency on traffic fines and forfeited traffic bonds.

Marshall's Trust Fund—This agency fund accounts for the collection of worthless checks and fines and court costs on State charges. Payments are made to other governmental agencies and for restitution on the worthless checks.

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

Basis of Accounting:

The modified accrual basis of accounting is utilized for the General Fund whereby revenues are recognized when they become available and measurable and expenditures when they are incurred. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred.

Vacation and Sick Leave:

The City Court of Rayne has no vacation or sick leave policies as of September 30, 2011. City Court employees are paid by the City of Rayne, therefore all payroll and related liabilities are accounted for on the city's books.

The City Court adopted GASB Statement 54 in the year ended September 30, 2011. As such, fund balances of the governmental funds are classified as follows:

Nonspendable - funds that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - funds that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - funds that are constrained by limitations that the government imposes on itself. These amounts are imposed at the highest level of authority. These amounts are binding unless removed in the same manner that it was imposed and any action must be taken prior to year-end.

Assigned - funds whose intended use has been established. These amounts can be, but are not required to be, imposed at the highest level of authority. They do not have to be binding and action does not have to be taken prior to year-end.

Unassigned - all other spendable amounts.

Fund balances for the periods ending September 30, 2010 and September 30, 2011 are as follows:

For year ended September 30, 2010			For year ended September 30, 2011		
	General Fund	Total		General Fund	Total
Unreserved/ Undesignated	117,769	117,769	Unassigned	134,649	134,649
Total Fund			Total Fund		
Balances	<u>\$ 117,769</u>	<u>\$ 117,769</u>	Balances	<u>\$134,649</u>	<u>\$ 134,649</u>

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

Note 2. Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Assets (Exhibit A) and the column labeled Statement of Activities (Exhibit B) display information about the court as a whole. These statements include all the financial activities of the court. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting

from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Reconciliation

There are no reconciliation items at September 30, 2011.

Note 3. Budgets

The City Court is legally required to prepare a budget. The budget is prepared and adopted prior to the beginning of each fiscal year and amended prior to year end.

Note 4. Cash and Cash Equivalents

Cash consists of funds in non-interest bearing checking accounts and interest bearing passbook accounts. The City Court of Rayne has no cash equivalents such as time deposits and money market accounts.

Note 5. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from these estimates.

Note 6. Deposits with Financial Institutions

The City Court of Rayne's bank balances of deposits with financial institutions amounted to \$226,673 at September 30, 2011 and are fully insured.

Note 7. Capital Assets

Capital assets, which include furniture, fixtures, and equipment, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. The City Court maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2011

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Office furniture	5-10
Equipment	5-10

In the fund financial statements, capital assets used in government fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

The City of Rayne maintains and owns the majority of the capital assets utilized by The City Court.

There were no additions, deletions, or depreciation related to the capital assets for the year ended September 30, 2011.

Note 8. Expenses of City Court of Rayne Not Included in This Report

The accompanying financial statements do not include certain expenses of the City Court of Rayne that are paid out of the funds of the City of Rayne.

Note 9. Related Party Transactions

At September 30, 2011, there are no related party transactions and related amounts receivable or payable.

Note 10. Litigation

The City Court of Rayne has no threatened or pending litigation against it at September 30, 2011.

Note 11. Evaluation of Subsequent Events

The City Court of Rayne has evaluated subsequent events through March 19, 2012, the date which the financial statements were available to be issued.

Required Supplemental Information

CITY COURT OF RAYNE, LOUISIANA
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
Year Ended September 30, 2011

With Comparative Actual Amounts for Year Ended September 30, 2010

	2011				2010
	Budget			Variance-- Positive (Negative)	
	Original	Final	Actual		Actual
Revenues:					
Criminal fees	\$ 141,127	\$ 160,726	\$ 153,222	\$ (7,504)	\$ 135,234
Civil court fees	66,088	59,572	65,678	6,106	71,304
Miscellaneous	-	-	50	50	77
Total Revenues	<u>\$ 207,215</u>	<u>\$ 220,298</u>	<u>\$ 218,950</u>	<u>\$ (1,348)</u>	<u>\$ 206,615</u>
Expenditures:					
General government--judicial					
Indigent defender	\$ 40,195	\$ 40,479	\$ 36,589	\$ 3,890	\$ 39,107
Crime lab	7,291	7,619	6,989	630	7,211
Reparation fund	1,800	2,333	2,578	(245)	1,797
Witness fund	5,088	5,398	4,444	954	5,540
District Attorney	3,310	3,802	3,371	431	3,303
Law enforcement commission	3,048	3,533	3,444	89	2,941
DWI fees	5,357	5,476	4,482	994	4,443
Retirement	1,488	3,813	4,132	(319)	1,116
Marshall services	39,838	47,941	45,469	2,472	41,992
Other fees	3,414	3,839	3,608	231	3,092
Compensation	34,533	26,607	23,070	3,537	32,589
Clerk fees	9,872	11,467	11,199	268	11,306
Convention and meetings	13,902	14,030	14,029	1	15,547
Recording fees	13,101	11,429	12,462	(1,033)	13,582
Dues and subscriptions	467	1,760	1,630	130	350
Office expense	1,341	4,523	3,703	820	1,412
Refunds	3,406	10,609	14,713	(4,104)	3,620
Supplies	4,401	-	-	-	3,300
Miscellaneous	16,694	6,585	6,158	427	13,494
Total Expenditures	<u>\$ 208,546</u>	<u>\$ 211,243</u>	<u>\$ 202,070</u>	<u>\$ 9,173</u>	<u>\$ 205,742</u>
Excess Revenues over Expenditures	\$ (1,331)	\$ 9,055	\$ 16,880	\$ 7,825	\$ 873
Fund Balance, Beginning of Year	<u>\$ 117,769</u>	<u>\$ 117,769</u>	<u>\$ 117,769</u>	<u>\$ -</u>	<u>\$ 116,896</u>
Fund Balance, End of Year	<u>\$ 116,438</u>	<u>\$ 126,824</u>	<u>\$ 134,649</u>	<u>\$ 7,825</u>	<u>\$ 117,769</u>

The accompanying notes are an integral part of this statement.

Other Supplemental Information

CITY COURT OF RAYNE, LOUISIANA

SCHEDULE OF EXPENDITURES - GENERAL FUND

September 30, 2011

With Comparative Amounts for Year Ended September 30, 2010

	General Fund	
	2011	(Memo Only) 2010
Expenditures:		
General government--judicial		
Indigent defender	\$ 36,589	\$ 39,107
Crime lab	6,989	7,211
Reparation fund	2,578	1,797
Witness fund	4,444	5,540
District Attorney	3,371	3,303
Law enforcement commission	3,444	2,941
DWI fees	4,482	4,443
Retirement	4,132	1,116
Marshall services	45,469	41,992
Other fees	3,608	3,092
Compensation	23,070	32,589
Clerk fees	11,199	11,306
Convention and meetings	14,029	15,547
Recording fees	12,462	13,582
Dues and subscriptions	1,630	350
Office expense	3,703	1,412
Refunds	14,713	3,620
Supplies	-	3,300
Miscellaneous	6,158	13,494
Total Expenditures	<u>\$ 202,070</u>	<u>\$ 205,742</u>

The accompanying notes are an integral part of this statement.

**Compliance, Internal Control
and Other Information**

THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 34 • 801 THE BOULEVARD, SUITE B • RAYNE, LOUISIANA 70578 • (337) 334-7251 FAX (337) 334-7002

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable James M. Cunningham, III
City Judge
City Court of Rayne
Rayne, Louisiana

We have audited the accompanying statements of the governmental activities and the aggregate remaining fund information of City Court of Rayne, a component unit of the City of Rayne, as of and for the year ended September 30, 2011, which collectively comprise the City Court of Rayne's basic financial statements and have issued our report thereon dated March 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City Court of Rayne's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City Court of Rayne's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City Court of Rayne's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as described above.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We consider the deficiencies described in the accompanying schedule of findings as items 2011-1 and 2011-2 to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

The Honorable James M. Cunningham, III
City Judge
City Court of Rayne
Rayne, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City Court of Rayne's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* described in the accompanying schedule of findings as items 2011-3.

Rayne City Court's response to findings identified in our audit is described in the accompanying corrective action plan.

This report is intended solely for the information and use of management, others in the organization and the Office of the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document. Therefore, its distribution is not limited.


Thibodeaux Accounting Company
A Limited Liability Company

Rayne, Louisiana
March 19, 2012

CITY COURT OF RAYNE, LOUISIANA

Schedule of Findings
Year Ended September 30, 2011

PART I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unqualified opinion has been issued on the City Court of Rayne, Louisiana's basic financial statements as of and for the year ended September 30, 2011.

Internal Control - Financial Reporting

There were two significant deficiencies in internal control on financial reporting that were disclosed by the audit of the financial statement.

Material Noncompliance - Financial Reporting

The results of our tests disclosed one instance of noncompliance required to be reported under *Government Auditing Standards*.

PART II. FINDING RELATING TO AN AUDIT IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

2011-1 Finding: Financial Statements Not in Accordance With GAAP

The City Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing the financial statements.

Criteria:

The reporting entity should be able to prepare financial statements in accordance with GAAP without any outside assistance.

Cause of Condition:

The City Court does not have the funds to hire someone or to outsource this function.

Effect of Condition:

The financial statements may not be prepared in accordance with GAAP.

Recommendation:

We recommend that the City Court outsource this task to ensure the recording of the courts financial transactions in accordance with GAAP.

CITY COURT OF RAYNE, LOUISIANA

Schedule of Findings (Continued)
Year Ended September 30, 2011

2011-2 Finding: Petty Cash not Reconciled

The City Court does not reconcile petty cash nor keep proper documentation of money going in or out.

Criteria:

All amounts in petty cash should be accounted for.

Cause of Condition:

The City Court was unaware that a petty cash reconciliation needed to be performed due to it's amount.

Effect of Condition.

Money from petty cash could easily be stolen. Also petty cash, revenues, and expenses could be misstated.

Recommendation:

City Court should record all petty cash transactions in the general ledger and should perform a monthly petty cash reconciliation.

2011-3 Finding: Records Retention Schedule

City Court did not have a records retention schedule approved by the LA Secretary of State (RS 44:411 and RS 44:36).

Criteria:

Louisiana Revised Statute states that a records retention schedule should be filed with the Louisiana Secretary of State.

Cause of Condition:

The City Court submitted a records retention policy during the fiscal year but has not gotten approval from the Secretary of State.

Effect of Condition:

City Court is not in compliance with the Revised Statute.

Recommendation:

There is no recommendation due to the fact that City Court has submitted a records retention policy and is waiting on approval.

CITY COURT OF RAYNE, LOUISIANA

**Corrective Action Plan
Year Ended September 30, 2011**

Response to Findings:

- 2011-1 City Court has evaluated the cost vs. benefits of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the court to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.
- 2011-2 City Court will record all petty cash transactions in the general ledger. Yvette Salvatierra, Deputy Clerk, will do a petty cash reconciliation monthly. City Court expects to have this issue resolved by September 30, 2012.
- 2011-3 City Court has contacted the Secretary of State and they have said that they are back logged and they will get to City Court's retention policy as soon as possible. Yvette Salvatierra, Deputy Clerk, will continue to communicate with the Secretary of State's office until the approval is received. City Court expects to have this issue resolved by September 30, 2012.

CITY COURT OF RAYNE, LOUISIANA

Summary Schedule of Prior Audit Findings
Year Ended September 30, 2011

- 2010-1 The City Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing the financial statements.

Recommendation: We recommend that the City Court outsource this task to ensure the recording of the court's financial transactions in accordance with GAAP.

Status: Unresolved

- 2010-2 The cash balance of the Civil Court Fund is not reconciled to the individual balances.

Recommendation: The City Court should reconcile the cash balance of the Civil Court Fund, transfer to the General Fund any fees that have been earned by the City Court, return any monies for suits that have been settled or inactive for five years, and any funds that are abandoned or unknown be forwarded to the State Treasury in accordance with the Uniform Unclaimed Property Act. The cash balance of the Civil Court Fund should be reconciled monthly.

Status: Resolved

- 2010-3 Citations sent to the District Attorney's office were not being documented in the system by the police department. The City Court did not reconcile traffic citations monthly to ensure that all citations have been accounted for and final disposition recorded.

Recommendation: City Court should reconcile the traffic citations monthly to ensure all citations have been accounted for and final dispositions are recorded. The police department should document in the system shared with City Court those citations sent to the District Attorney's office.

Status: Resolved

- 2010-4 City Court did not have a records retention schedule approved by the LA Secretary of State (RS 44:411 and RS 44:36).

Recommendation: The City Court should submit a records retention schedule to be approved by the LA Secretary of State.

Status: Partially Resolved